

Country		Bangladesh														
Factory name		12000591C														
IEM		Phulki														
Date(s) in facility		September 1 - 2, 2004														
PC(s)		Reebok International Ltd.														
Number of workers		1338														
Product(s)		Sports Jerseys, Knitwear														
Production processes		Cutting, Embroidery, Sewing, Finishing, Packing														
		Findings					Remediation					Updates				
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal Audit Findings (Optional)	PC Remediation plan	Documentation Required	Target Completion Date	Factory Response (Optional)	Completion Date	Documentation Submitted	Company Follow Up and Verification Efforts	Documentation Submitted		
1. Code Awareness																
Worker/Management Awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	a) The Reebok posters are posted in factory, however not in prominent place. 3 posters posted in canteen and 1 on production floor. b) Harassment, non-discrimination and grievance policies were not posted in factory. c) Current regulation of health and safety is not posted in the factory.	Visual Inspection and Worker and Management interview			a) The factory will post the Reebok Standards poster (entitled Notice to Workers) and the current regulation of health and safety in prominent areas, including the production area. b) Factory will develop harassment, non-discrimination and grievance policies and post them in prominent areas.	a) Please submit a picture of the posted poster, and please indicate where in the factory it is located. b) Please submit a picture of factory's posting of its harassment, non-discrimination and grievance policies.	a) October 13, 2004 b) December 1, 2004	(a) Factory has posted some 10 Reebok posters with contact address (mobile phone number and email details) of Reebok rep and also "*****" a representative of the local NGO Phulki, in case Reebok monitor is unavailable. The location and the number of posters posted in the workplace are as follows: Cutting 1, Embroidery 1, Finishing 2, Sewing 4, Canteen 2. (b) The factory has posted harassment, non-discrimination, grievance policies and health and safety regulations on the factory notice board.	(a & b) 11/3/2004	(a) Photographs of some posters have been submitted. Factory has been requested to submit photos of all posters as posted. (b) A photo showing posting of factory policies has been submitted. These documents are maintained in Reebok's internal files by Reebok's monitor.	Reebok monitor audited the factory Nov 22, 2004, and confirmed that the factory has posted Reebok's Notice to Workers posters, as well as its non-discrimination, non-harassment and grievance policies on factory notice board.	Photos of posters posted, photo of factory policies posted		
Confidential Noncompliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	The workers were not able to contact the local Reebok field staff through phone in past few months.		The workers were very open to the monitors and very vocal about their views. The workers said that the factory HRD manager is easily approachable if they have any grievance relating to leave which the supervisor denied Reebok HR Manager is familiar with all the production workers and the workers are very vocal with him.		Reebok Monitor will maintain open communication with the factory workers through phone and email. Monitor will ensure his number is posted on the Reebok Standards poster and ensure that he is accessible through the phone number.	Please verify through worker interviews that the workers are able to reach the Monitor.	October 13, 2004	Factory has posted some 10 Reebok posters with contact address (mobile phone number and email details) of Reebok rep and also "****" a representative of the local NGO Phulki, in case Reebok rep is unavailable.	11/3/2004	See above cell.	Reebok monitor audited the factory Nov 22, 2004, and confirmed, via visual inspection, that the factory has posted Reebok's Notice to Workers code of conduct poster, which includes contact information for the Reebok monitor.	Photos of posters posted, photo of factory policies posted		
2. Forced Labor																
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																
3. Child Labor																
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																
4. Harassment or Abuse																
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.																
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices.	In spite of regular informal training to the supervisors there is still a potential of verbal abuse and refused leave permission to the workers from the supervisor.	Management interview		(Jan 2004) The factory has no functioning non-harassment policy. Isolated incidents of verbal abuse. (May 2004) Factory reported that it issues regular instructions to supervisory staff regarding abuse. Workers confirm that abuse has stopped.	According to RHRPS, employers will prohibit screaming, threatening, or demeaning verbal language. Employers will not unreasonably restrain workers' freedom of movement including movement in canteens, during breaks, using toilets, accessing water or medical services. a) The factory will develop a formal written functioning non-harassment policy and supporting procedures for its implementation and enforcement. At minimum, written policy shall define specific behaviors that are forbidden and elements to address areas of noncompliance. At minimum, supporting procedures should include complaint, reporting and disciplinary procedures. b) (i) Once developed, factory must conduct worker and management training on its non-harassment policy. Training should include full explanation of factory's : (1) non-harassment policy, (2) harassment reporting protocols, (3) standard investigative procedures, and (4) instructions for appropriate disciplinary measures. (Please note that training should be conducted on a regular basis to account for worker turnover. Please develop a schedule for such ongoing training.)	a) Please submit a copy of the factory's written non-harassment policies and procedures. b) (i) Please submit a copy of training materials, as well as documentation (such as attendance lists) that demonstrates managers and workers have received the training. (ii) Please submit a plan or schedule for ongoing training.	a) October 13, 2004 b) December 1, 2004	(a) Factory has non-harassment policy and communicates this to workers through workers handbook, factory postings, and routine training. The factory written non-harassment policy clearly states that behaviors like slaps, pushes, screaming, threatening, demeaning verbal language or any kind of sexual nature behavior are strictly prohibited. Any unreasonable behavior in consideration of common sense and local rules or custom will be considered harassment. For remedy of harassment, worker can report using 1 of 4 channels: 1) Written report through supervisor, 2) Direct report to admin manager, 3) Report through secret reporting box, 4) Through forum/ WWC meeting. After receiving complaint, the authority from investigation committee as per BEPZA instruction 1/89, if found guilty then take measures as per directives of BEPZA rules. (b) On December 20th, factory arranged for special training room equipped with video projector to be used to train workers and management regarding noncompliance matters and make them aware of their rights and duties. This training programme starts from 27 Nov, 2004.	(a) 11/3/2004 (b) Ongoing	(a) Factory has submitted a copy of its non-harassment policy and procedures - included in its workers handbook - and photograph of posting on factory notice board. (b) Factory has submitted documentary records of its non-harassment and non-discrimination policy and punview of this policy. Records of training provided to workers has also been submitted. Factory has been requested to submit a copy of the training materials, as well as a plan or schedule for ongoing training. These documents are maintained by Reebok's monitor.	(a) Reebok monitor audited factory Nov 22, 2004, and confirmed that factory has a non-harassment policy and communicates this to workers through the workers handbook and routine training. (b) Reebok's monitor will continue to work with factory on the development and implementation of ongoing training.	Copy of non-harassment policy and procedures, non-harassment and non-discrimination policy and training records.		
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	Workers are abused verbally by supervisor not to fulfill the target.	Worker interview			See notes above.									
Access to Facilities		Access to food, water, toilets, medical care or health clinics or other basic necessities will not be used as either reward or punishment.	Workers access to toilet denied in the last 30 min of work.	Worker interview			Access to food, water, toilets, medical care or health clinics or other basic necessities will not be used as either reward or punishment. a) See cell above.									
Other			a) There are no training schedules to conduct mid-level training program, b) Existence of toilet card to use toilet in last 30 min of work. Access to food, water, toilets, medical care or health clinics or other basic necessities will not be used as either reward or punishment.				Factory to eliminate toilet pass system immediately. Factory to then develop a written policy which clearly states that workers have the right to use the restroom whenever necessary. This policy is to be communicated to workers and management in the factory workers handbook, as well as in factory postings.	Please submit a copy of the factory's policy in the worker handbook, as well as pictures of its posting inside the factory.	1-Dec	As per our company policy, which is formally incorporated in worker's handbook, facilities are never used as a means of reward or punishment. Factory has removed the toilet pass system.			Reebok monitor audited factory Nov 22, 2004. Discussions with factory management and workers confirm that restrictions arbitrarily imposed have been withdrawn. However, factory is yet to communicate this in workers' handbook and in factory postings. Reebok's monitor will continue to work with factory on development and implementation of this policy, and to ensure that this area of noncompliance is satisfactorily addressed.			
5. Nondiscrimination																
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																

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Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.	No written non-discrimination policy existing, but there is no issue on discrimination.	Management interview, worker interview and record review		No evidence of non-discrimination found.	a) Factory will develop formal written functioning non-discrimination policy and supporting procedures for its implementation and enforcement. At minimum, written policy shall define hiring procedures including: job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement. At minimum, written policy shall prohibit discrimination on basis of: gender, race, religion, age, disability, sexual orientation, nationality, political opinion, caste, social or ethnic origin. b) (ii) Once developed, factory must conduct worker and management training on its non-discrimination policy. Training should include full explanation of factory's non-discrimination policy (Please note that training should be conducted on regular basis to account for worker turnover. Please develop a schedule for such ongoing training.)	a) Please submit a copy of the factory's written non-discrimination policies and procedures. b) (i) Please submit a copy of training materials, as well as documentation (such as attendance lists) that demonstrates managers and workers have received training. (ii) Please submit a plan or schedule for ongoing training.	a) October 13, 2004 b) December 1, 2004	(a) Formal non-discrimination policy and procedures adopted in company policy and incorporated in worker's handbook in local language spoken by workers. These handbooks are distributed among the workers. These policies also posted in the visible area of the workplace. (b) On December 20th, the factory arranged for a special training room equipped with video projector to be used to train workers and management regarding noncompliance matters and make them aware of their rights and duties. This training program starts from 27 Nov, 2004.	(a) 11/3/04 (b) Ongoing	(a) Factory has submitted a copy of its non-discrimination policy and procedures, included in its workers handbook, and photograph of posting on factory notice board. (b) Records of training provided to workers has also been submitted. These documents are maintained in Reebok's internal files by Reebok's monitor.	(a) Reebok monitor audited factory Nov 22, 2004, and confirmed that factory has satisfactory non-discrimination policy, which is communicated to workers and management through several channels. (b) On Dec 15, 2004, factory has submitted record of training conducted. However, a training plan for ongoing training is pending. Reebok's monitor will continue to work with the factory on the development and implementation of ongoing discrimination training, and to ensure that this area of noncompliance is satisfactorily addressed.	Non-discrimination policy, training records	
6. Health and Safety															
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities															
Evacuation Procedure	OSHA 29CFR1910	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	There was no evacuation plan.	Visual inspection			Factory must complete an evacuation plan and train employees on this plan. a) Production floor must have evacuation diagram posted that shows evacuation routes from each area, gathering areas outside, fire extinguisher locations, alarm pull box locations, and if applicable, location of fire fighting equipment for factory fire brigade or local firefighters. b) All workers must receive evacuation drill training. Supervisors or trainers can walk new workers through route and exit door. c) Reebok requires a minimum of 4 emergency evacuation drills per year, at least 2 unannounced, with all drills performed with a power shutdown to test emergency lights and alarm. During drills, all workers must exit facilities, including office staff. Factory management should time how long it takes to completely exit the building, discuss with supervisors how to improve evacuation procedures and communicate to the workers how to improve evacuation. d) An employee should be designated responsible for maintaining policy and training of evacuation plan for ongoing safety compliance.	a) Please submit a copy of your fire evacuation diagram and a picture of it posted in the production area. b) Please submit a copy of your worker training plan.c) Please submit an evacuation drill log, recording evacuation time, whether drill was announced, and comments on any problems. d) Please indicate the designated employee for ongoing compliance and training of evacuation procedures.	a) October 13, 2004 b) October 13, 2004 c & d) December 1, 2004	a) Evacuation diagram has been developed and posted on the floor as recommended. b) Factory conducts routine fire drills as per requirement. Workers have received training for evacuation as per evacuation plan. New workers are also shown and made to understand by evacuation plan and conduct orientation class. c) The plan of action is misleading since the factory conducts routine fire drills as per requirement. Document will be submitted. d) Factory Admin Manager is responsible for compliance and training of ongoing matter.	(a & d) 11/3/2004 (b & c) Ongoing	Factory has submitted photographs of ***Factory's*** Evacuation Plan. These documents are maintained in Reebok's internal files by Reebok's monitor. Factory has been requested to submit a list of workers trained specifically in fire fighting, and factory has also been requested to submit copies of fire evacuation drill records for the year.	(a & b) Reebok monitor audited factory Nov 22, 2004, and confirmed via visual inspection and management/worker interviews that the factory has a satisfactory posted fire evacuation diagrams and conducted worker training on factory evacuation. (c) Reebok's monitor audited the factory November 22, 2004, and confirmed that factory has plans for conducting routine fire drills. Factory has been requested to submit a list of workers trained specifically in fire fighting, and factory has also been requested to submit copies of fire evacuation drill records for the year. Reebok's monitor will continue to work with the factory. (d) Reebok's monitor also confirmed, through management interviews, that the factory Admin Manager has assigned responsibility for compliance and training moving forward.	Photographs of ***Factories*** evacuation plan.	
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Aisles were blocked	Visual inspection		(Feb 2001) Worker access to aisles is severely restricted on sewing floors. No ready access to an aisle. Factory claimed that after relocation to new premises work stations provided adequate space for accessing aisles.	a) Aisles leading to exits must be at least 70 cm (28 inches) or greater. The factory must keep aisles, exit door and emergency exits (both inside and out) clear of obstructions.		October 13, 2004		11/22/04		Reebok's monitor audited the factory on Nov 22, 2004, and confirmed that all aisles in the factory were found to be cleared of obstacles.		
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Most of the fire extinguishers have expired.	Visual inspection			a) Factory must ensure that extinguishers are serviced and charged annually by a qualified licensed company. Extinguishers must be inspected visually every month to make sure they are charged and in good working condition. There should be a tag attached to each extinguisher to record the inspection date and inspector's name or initials. b) Factory shall designate an employee responsible for ensuring that extinguishers are inspected on a monthly basis.	a) Please submit documentation demonstrating inspection by a licensed company. Please provide pictures of extinguishers with tag attached showing date and inspector's name/initials. b) Please indicate the individual responsible for ensuring that extinguishers are inspected on a monthly basis for ongoing compliance.	October 13, 2004	(11/3) 31 out of 89 fire extinguishers had expired and were awaiting BEPZA clearance for removal for recharging. It is these that were seen as expired on the audit date. All extinguishers are in order with marking the expiry date. These extinguishers are checked by the outside expert company on regular basis.	Ongoing	Factory has submitted documentation showing invoice from refilling agency.	Documentation showing invoice from refilling agency together with location of all extinguishers has been received on Dec 15, 2004 by Reebok's monitor. Reebok will continue to work with the factory to ensure that fire extinguishers are in proper working order, and that a system is in place for ongoing maintenance of fire safety equipment.	Documentation showing invoice from refilling agency	
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Some of the first aid boxes are locked and are kept behind cabinet at the end of the line. Moreover, they are not equipped with adequate stock.	Visual inspection			(a) First aid kits must be accessible to each work area. (b) They are to be well stocked as specified. They are to be each labeled with a list of minimum contents and quantities, so that the kit can be easily checked and restocked. (c) They are to contain a list of everyone in the plant with formal training in first aid. (d) Designated staff have the responsibility of checking and restocking the first aid kits regularly. If the kit is locked, the key must be kept within easy reach.	Please submit proper documentation that first aid kits are fully stocked and easily accessible to all workers.	October 13, 2004	(11/3) First aid kits have been placed in all work areas and accessible to workers. All of our first aid boxes (10 pieces) kept open and available for all of our workers. These boxes are well equipped with medicine.		Factory has been requested to submit proper documentation that first aid kits are fully stocked.	Reebok will continue to work with the factory to determine whether first aid kits are sufficient in number, accessible, fully stocked, and properly labeled.		
PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	a) PPE were not provided to workers in sewing section. b) Not using the appropriate PPE in sport removal section. c) In cutting, spot removal and embroidery section, PPE were not used due to discomfort.	Worker interview and visual inspection			a) The factory will provide PPE to workers at no cost. b) The factory will develop a PPE policy which defines an inventory of activities where PPE is required and of what type. Procedures for the implementation and enforcement of factory's PPE policy should be documented. c) Factory should minimize risk of accidents and health problems by providing training and ongoing communication about safe practices and the proper use of PPE to employees.	a) Please submit evidence that workers receive PPE. b) Please submit a copy of the factory's PPE policies and procedures. c) Please submit evidence on PPE training for workers who must use them.	a) October 13, 2004 b) October 13, 2004 c) December 1, 2004	a) Worker received the PPE. These PPE are in practice. Factory has submitted photos of workers in spot cleaning room, embroidery section and cutting section showing workers wearing eye protection, masks, earplugs and metal mesh gloves. b) Factory made a PPE policy and circulated it to all. c) Factory arranged training class. The workers have been well briefed regarding the use of PPE.	(a -c) 11/3/04	(a - d) Factory has submitted photos of workers in spot cleaning room, embroidery section and cutting section showing workers wearing eye protection, masks, earplugs and metal mesh gloves. Training sessions regarding PPE and distribution list of PPE were also submitted. Factory's policy regarding PPE use was also submitted. These documents are maintained by Reebok's monitor.	(a) Reebok's monitor audited the factory November 22, 2004, and confirmed via visual inspection and worker interviews that the appropriate PPE has been provided to workers at no cost. (c) Documentation review, management and worker interviews also confirmed that workers received appropriate training on the need for use of PPE, its reasons and how to use PPE correctly. (b) Reebok's monitor also reviewed the factory's PPE policies and procedures and found them satisfactory.	Photos of workers in spot cleaning room, training records, PPE use policy	
Ventilation/Electrical/Facility Maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	The factory floor has high temperature and the workers complain about excessive heat. Few workers also fainted in the summer months.	Worker interview and visual inspection		(May 2004) Ironing tables pump hot air into the sewing floor. Factory needs to install adequate ventilation system to effectively discharge hot air from ironing tables. Factory has agreed to install more fans in new factory unit as an interim measure.	a) All work areas have windows, fans, air conditioners or heaters for air circulation, ventilation and temperature adequate for the health of workers and safe performance of their tasks. b) As this is an ongoing problem, Reebok recommends the factory seek professional help in order to alleviate temperature problem.	a) Please provide pictures showing use of fans, air conditioners and ventilation in order to control temperature. b) Please submit evidence that professional help has been sought and a cooling system has been developed.	a) October 13, 2004 b) December 1, 2004	a) Excessive heat is the problem of summer season. At present it is winter season. So there is no excessive heat. b) Management is seeking for expert opinion in order to reduce temperature in the coming summer season. We are expecting to take measures reducing temperature on 28 February 2005.			Reebok's monitor will continue to work with the factory to determine the appropriate course of action.		

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Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	No needle guards on sewing machine.	Visual inspection			a) Factory must provide a needle guards and pulley guard for every sewing machine in order to ensure proper worker safety. b) There should be an appointed person responsible for routinely checking sewing machines for needle guards.	Please indicate the individual responsible for maintaining needle and pulley guards on all sewing machines in order to ensure ongoing compliance.	October 13, 2004	Needle guards have been installed on sewing machines. Admin Manager is responsible for compliance ongoing matter.	11/3/04	Single close-up photograph showing stitching machine with needle guard has been submitted. Factory has been requested to send photographs of a larger section of production floor showing installed pulley guards.	Reebok's monitor audited the factory on November 22, 2004, and during visual inspection machines were seen with needle and pulley guards installed.	Photos of stitching machine with needle guards
7. Freedom of Association and Collective Bargaining														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.														
Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.	The workers not aware of the WWC. There is a notice regarding the introduction of previous WWC members along with their picture in dining. WWC is held for the timebeing and the factory will hold elections as per the new BEPZA law shortly.	Management interview, worker interview and visual inspection			The WWC is only successful if workers know its mandate and members. It is recommended that factory ensures awareness and conducts training of WWC. The factory shall allow freedom of association in accordance with local law.	Please provide proper evidence that workers are being trained on the mandates and members of WWC.	October 13, 2004	***Factory*** is in the EPZ where labor unions are currently not allowed by local authorities. However it has a functional workers' forum and is in the process of implementing directives issued by BEPZA authorities. The WWC is being introduced by the EPZ authorities as a precursor to labor associations for the zone. BEPZA instructions on this is awaited.			Factory's position is appropriate. ***Factory*** was among the first Reebok manufacturers to pro-actively create an in-house workers' forum . The factory is, however, in no position to act unilaterally on this matter. The WWC, the operation of which is directly supervised by BEPZA must await specific directives from BEPZA authorities and so the planed WWC is contingent on BEPZA directives. The factory can only act once BEPZA communicates its instructions. Thus far, the factory has complied with all BEPZA directives on the matter.	
8. Wages and Benefits														
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.														
Wage and Benefits Information Access	Reebok instruction: Factory to ensure once given, salary in a stage never comes down.	In general, workers will have access to understandable information about their wages and benefits, and will not express dissatisfaction with their ability to get information.	Lack of awareness of the workers about the current dollar exchange rate. The workers getting less pay for 2 months as compared to what they receive the previous month.	Worker interview, salary sheet and exchange rate review		Minimum wage of workers with the zone is \$20 or at the factory's own calculation Tk 938: factory's payroll shows minimum paid is Tk800. Factory will review wages amounts of all workers to adjust for current exchange rates.	a) Factory will provide retroactive payment as needed to eligible workers to ensure minimum wage during time of Reebok Production. b) The factory will communicate, verbally and in writing, its wage policies and procedures in simple terms. The factory will maintain accurate and reliable payroll reports and provide workers with wage statements each pay period. Workers will have access to understandable information about their wages and benefits.	a) Please submit payroll documentation indicating retroactive payment to eligible workers. b) Please submit documentation that workers are receiving proper explanations of wage policies and wage statements.	October 13, 2004	(a) Factories in the EPZ are legally required to pay worker wages in Taka equivalent of US dollars. Factory has been diligently following this policy since 1998. During the period under review, workers did receive a lower Taka amount due to the falling value of US dollar. Since this was an unprecedented phenomenon, workers, who had gotten used to only receiving enhanced wages with every devaluation of the Taka were upset about receiving a lower amount. (b) Factory provides workers with information on wages and exchange rates to workers in worker handbook. As per our salary policy (well defined in worker's handbook and employment letter) worker's salary and benefits are determined in US dollars. After calculation of worker's salary of each month in US dollars the receivable amount then converted into local currency (Taka) multiplying by the exchange rate received from the company bank account and paid the same within the 10th of each month (previous month salary).		Factory has submitted a copy of the factory wage policy in the worker handbook. Documentation is maintained in Reebok's internal files by Reebok monitor.	Reebok's monitor found the factory position is valid. Reebok's monitor audited factory November 22, 2004, and conducted management interviews as well as documentation review of time records and payroll records. Issue arose from misunderstanding amongst workers. It was paid in accordance with its legal obligations. Value of the US dollar had indeed plummeted abruptly before recovering. Since the USD witnessed unprecedented depreciation in months preceding audit, workers who had hitherto only seen an increase in wages, were paid a lower wage amount in Taka. Since workers received higher amount 1 month and a lower amount the following month, they mistakenly felt that they were shortchanged. Factory communicated this to workers in public address system and in training sessions. This is also in workers handbook. Furthermore, all workers receive pay slips that record their USD wage amounts.	Worker Handbook
Legal Benefits	Country law: As per BEPZA law maternity leave with pay and all allowances for 6 weeks before and 6 weeks after the delivery.	Employers will provide all legally mandated benefits to all eligible workers.	1 cleaner in the factory has not received half of her maternity benefit in January 2004.	Record review and worker interview			Employer to investigate this issue and report back to Reebok.		October 13, 2004	Factory has issued a letter to concerned worker ***** informing her that she is entitled to avail of her full maternity leave. She has since taken her balance leave (vide letter dated Nov 23, 2004).	11/23		Reebok's monitor investigated this issue and found that this episode was based on a misconception. Worker ***** had premature delivery and did not avail of 6 weeks pre-natal maternity leave, believing that she could encash this. Factory maintained, correctly, that she was entitled to her full leave on payment as legally mandated, but that she could not encash it in lieu of availing of leave. This was verified during (Nov 22) visit to factory.	
Payment of Legal Benefits		Legally mandated benefits will be provided or paid in full within legally defined time periods.			The women are provided with 1 day gross salary as menstruation bonus per month. The workers are provided the attendance bonus, festival bonus on gross salary rather than basic salary. Transportation allowance or facility is provided to the workers (Taka 6 per working day or Taka 150 per month).									
9. Hours of Work														
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period														
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	Cannot refuse OT and had to work for 12 hours. The production target is very high and unachievable.	Worker interview		(Jan 2004) During interview it was clear that most workers believed O/T to be mandatory under all circumstances.	a) The factory must inform workers, both verbally and in writing, of its policy on overtime work and compensation rates. The policy shall indicate at a minimum that: (1) workers may exercise their right to refuse overtime without threat of punishment, penalty, dismissal, change of work assignment, deductions from earned income, or denial of opportunity to work overtime in the future, (2) workers shall not be required to work more than 60 hours per week, including overtime, except in extraordinary circumstances, (3) worker is entitled to at least 1 day off in every 7-day period, (3) employees are not required to work in excess of 10 hours a day, (4) employer will ensure reasonable meal and rest breaks.	a) Please submit written policy that indicates working hours/overtime policy. Additionally, submit evidence that workers have received this policy. b) Please submit documentation indicating review of current production targets and any changes to the production targets.	October 13, 2004	Factory has a working hours policy which is communicated to workers through workers handbook and regular training. However, under extraordinary circumstances, factory does work excessive hours with prior approval from Reebok and BEPZA authorities with workers who agree to work extra hours.	12/15/04	Working hours/overtime policy records have been submitted. Documentation is maintained in Reebok's internal files by Reebok monitor.	Factory has been providing routine training to workers and supervisors regarding its various policies including working hours. Reebok monitor audited the factory on November 22, 2004, and with documentation review, as well as verified with cross section of workers, that workers have received copy of workers' handbook which contains this policy.	Working hours/overtime policy
Overtime Limitations	Country Law: No adult worker shall be required or allowed to work exceeding 10 hours in any day. Factories Act	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least 1 day off in every 7 day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Worker have been seen to do overtime 13.5 hrs, to 27 hrs. (including 8 hrs. work on weekly day off) in a single week. Worker of finishing and finishing related packaging and store section work high OT and worker of the other sections also seen to work excessive OT.	Salary sheet, time cards and attendance register for the month of Jan 04, Mar 04, April 04, July 04 and Aug 04			See above cell.							

	Findings						Remediation					Updates		
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal Audit Findings (Optional)	PC Remediation plan	Documentation Required	Target Completion Date	Factory Response (Optional)	Completion Date	Documentation Submitted	Company Follow Up and Verification Efforts	Documentation Submitted
Overtime Limitations	No worker shall be required to work for more than 10 consecutive days without a day off for whole day. Factories Act.		Factory works on Fridays, government holiday with no weekly day off provided to worker. They have to do continuous work for the following months: 17 -31 January 04; 13 - 25 March 04; 17 - 30 April 04; 3 - 15 July 04; 17 - 31 July 04 and 7 - 26 August 04.	Time cards and attendance register for the month of Jan 04, Mar 04, April 04, July 04 and Aug 04			See above cell.							
Other			The workers had to work 13.5 - 27 hrs (including 8 hrs work on weekly day off) in a single week to achieve a very high production target occurred because of floods and strikes (hartal).				Worker overtime shall not exceed 10 hours in one day. See above cell.	See above cell.						
10. Overtime Compensation														
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.														
OT Compensation		The factory shall comply with applicable law for premium rates for overtime compensation.	Female security guards employed by factory through [Agency name] security agency not paid for overtime compensation at premium rate, although company has paid OT compensation at premium rate to the agency.	Interview and agreement with security guard agency			For all subcontractors, the factory is responsible for ensuring compliance with Reebok Standards. The factory must contact security agency and indicate their noncompliance. Factory must ensure that the subcontractor is paying legal minimum wage and overtime rate.	Please submit proper evidence that subcontractors are paying overtime wages in accordance with Reebok Standards and local law.	October 13, 2004	Factory has written to security agency (Nov 22, 2004) insisting on overtime wage payment to security guards. Security agency has also written (Nov 23) to confirm overtime premium will be made to all workers working overtime.			Factory has sent to Reebok the following documents: (1) copies of its communication with security agency, and (2) copy of written commitment from security agency to comply with overtime premium payments. Factory has been requested to submit copy of overtime premium payments once this is paid to workers. Reebok's monitor will continue to work with the factory to determine ongoing compliance at the subcontractor level	Written commitment from security agency to comply with overtime premium payments.
Miscellaneous														